

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 L-03 TRSE-00 EB-07 SP-02 INT-05 COME-00

OPIC-03 AID-05 CIAE-00 INR-07 NSAE-00 SS-15 NSC-05

PRS-01 FEA-01 OMB-01 DODE-00 NSCE-00 SSO-00 USIE-00

INRE-00 ARAE-00 /066 W

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O 232030Z APR 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC NIACT IMMEDIATE 9874

C O N F I D E N T I A L LIMA 3756

FOR ARA - MR. WILLIAM ROGERS; L - MR. LEIGH; L/ARA - MR.  
KOZAK; TREASURY - MR. BUSHNELL; EB - MR. GREENWALD; S/P -  
MR. LORD

EO 11652: GDS

TAGS: EIND, EINV, EMIN, PFOR, PE

SUBJ: MARCONA - TEXT OF DRAFT COMMUNIQUE

1. FOLLOWING IS TEXT DRAFT COMMUNIQUE NOW BEING DISCUSSED  
WITH PERUVIANS. THIS WOULD BE ACCOMPANIED BY EXCHANGE OF  
NOTES REFERRING TO COMMUNIQUE AND INCORPORATING PARAGRAPHS  
3, 4 AND 5 OF DRAFT OF INTERGOVERNMENTAL AGREEMENT:

BEGIN QUOTE

JOINT COMMUNIQUE

THE GOVERNMENTS OF PERU AND THE UNITED STATES OF  
AMERICA, WITH THE PURPOSE OF ARRIVING AT A FINAL AGREE-  
MENT ON THE JUST PRICE FOR THE ASSETS EXPROPRIATED FROM  
MARCONA MINING COMPANY, WHOSE MINING AND METALLURGIC  
COMPLEX IN PERU WAS NATIONALIZED PURSUANT TO THE PROVI-  
SIONS OF DECREE LAW 21228, HAVE HELD IN THE COURSE OF  
PAST FEW MONTHS CONVERSATIONS INTENDED TO SOLVE  
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THE DIFFERENCES WHICH AROSE FROM THE APPRAISAL OF THE

ASSETS OWNED BY THE AMERICAN ENTERPRISE MARCONA MINING COMPANY SUBJECT TO EXPROPRIATION BY THE GOVERNMENT OF PERU, AND TO ASSURE THAT RELATIONS BETWEEN BOTH COUNTRIES WOULD NOT BE AFFECTED BY A MATTER WHICH SHOULD BE TREATED IN CONSISTENCY WITH THE LAWS OF THE EXPROPRIATING COUNTRY AND THE PRINCIPLES OF INTERNATIONAL LAW, WHICH REQUIRE JUST COMPENSATION FOR EXPROPRIATED ASSETS.

TO SUCH END, THE GOVERNMENT OF PERU, IN ACCORDANCE WITH ITS LAWS, TOOK THE NECESSARY MEASURES THAT MADE IT POSSIBLE TO DETERMINE THE NET VALUE OF THE EXPROPRIATED ASSETS, GIVING THE FINAL AMOUNT OF U.S. \$33,000,000.00 (THIRTY-THREE MILLION U.S. DOLLARS) WHICH WILL BE PAID TO THE EXPROPRIATED ENTERPRISE.

BOTH GOVERNMENTS HAVE AGREED THAT EFFORTS SHOULD BE MADE TO FACILITATE THE PLACEMENT OF PERUVIAN IRON OXIDE PELLETS IN THE NORTH AMERICAN MARKET, AND THE ECONOMICAL TRANSPORTATION OF PERUVIAN IRON ORE PRODUCTS TO TRADITIONAL CONSUMERS. TO THIS END, AND TO FACILITATE THE TRANSPORTATION OF PERUVIAN IRON ORE PRODUCTS AND THE PLACEMENT OF IRON ORE PRODUCTS IN THE NORTH AMERICAN MARKET, THE MARCONA CORPORATION AND THE RESPONSIBLE PERUVIAN ENTITIES HAVE ENTERED INTO MUTUALLY BENEFICIAL CONTRACTS.

THE GOVERNMENT OF THE UNITED STATES OBSERVES THAT THE SETTLEMENT WHICH THIS COMMUNIQUE REPRESENTS IS IN CONFORMITY WITH ITS OWN LEGAL REQUIREMENTS AND, ONCE IMPLEMENTED, WILL CANCEL ALL OBLIGATIONS OF THE GOVERNMENT OF PERU TO THE MARCONA CORPORATION ARISING OUT OF THE NATIONALIZATION BY PERU OF THE PERUVIAN BRANCH OF MARCONA MINING COMPANY. END QUOTE  
DEAN

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